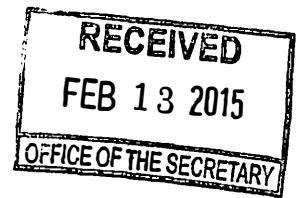


HARD COPY

UNITED STATES OF AMERICA  
Before The  
SECURITIES AND EXCHANGE COMMISSION



ADMINISTRATIVE PROCEEDING  
File No. 3-16317

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In the matter of: )  
)  
)

MYRIAD INTERACTIVE MEDIA, INC.)  
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**PETITIONER MYRIAD INTERACTIVE MEDIA INC.'S REPLY BRIEF IN  
SUPPORT OF ITS PETITION TO TERMINATE TRADING SUSPENSION**

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**PETITIONER MYRIAD INTERACTIVE MEDIA INC.'S REPLY IN**  
**SUPPORT OF ITS PETITION FOR TERMINATION OF TRADING SUSPENSION**

Petitioner, MYRIAD INTERACTIVE MEDIA, INC. (the "Petitioner"), for its Reply in Support of its Petition for Termination of Trading Suspension, states as follows:

**Procedural Background**

The Suspension Order was issued pursuant to Section 12(k) of the Securities Exchange Act of 1934 (the "Exchange Act") temporarily suspending trading of the Petitioner's equity securities through December 4, 2014.<sup>1</sup> The Suspension Order referenced the alleged inadequacy of publicly disseminated information related to the Petitioner's business prospects as they related to the current global outbreak of the Ebola virus.<sup>2</sup> On December 1, 2014, the Petitioner filed a petition for termination of trading suspension pursuant to Rule of Practice 550 (The "Petition").<sup>3</sup> Subsequently, on December 19, 2014, the Commission further directed that the Petitioner file this

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<sup>1</sup> *Bravo Enterprises, Ltd.*, Securities Exchange Act Release No. 73650 (November 20, 2014).

<sup>2</sup> *Id.*

<sup>3</sup> 17 C.F.R. §201.550

Opening Brief in support of the Petition.<sup>4</sup> The Petitioner would file its Opening Brief (the “Opening Brief”) on January 20, 2015. The Division of Enforcement would thereafter file its opening brief in opposition on or about February 3, 2015 (the “Commission’s Brief”).

**Argument in Response to the Division of Enforcement’s Opposition to Petitioner’s Opening Brief in the Matter of Myriad Interactive Media, LLC**

The Petitioner contends that the Commission’s Brief categorically fails to address the well-pleaded facts included in the Opening Brief. Rather, the Commission’s Brief attempts to distract and mislead the trier of fact by alleging certain facts, both true and untrue, that are in no way germane to the purported bases for the original trading suspension. Rather tellingly, in the Second Affidavit of Rebecca Israel (the “Second Affidavit”), the Affiant alleges a conversation with the Petitioner’s in-house legal counsel, in which she states the purported basis for the Suspension Order<sup>5</sup>:

“I informed Mr. Laxague that the trading suspension was based on, among other things, the Commission’s concerns about the accuracy and adequacy of the information concerning: (1) the claim in the October 15, 2014 [press release], that Myriad was in the “development phase” of an Ebola app, given that its recently-filed 10-K stated that Myriad had no plans or ability to engaged in such development; (2) the failure to disclose in the October 15, 2014 press release that Mouse, LLC was owned by Alan Sosa, Myriad’s largest shareholder, and that mouse had been created only one month prior to the alleged transaction discussed in the press release; (3) the touting of the Ebola project as “fully funded,” without timely disclosing that the amount of that “full funding” was only \$2,500; and (4) the 15% royalty fee for the Mouse, LLC contact discussed in the press release, given that the copy of the contract subsequently filed with the Commission contained no royalty provision”<sup>6</sup>

The Second Affidavit, as with the First Affidavit of Rebecca Israel, fails to substantiate the Suspension Order in multiple, material respects, including:

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<sup>4</sup> *Myriad Interactive Media, Inc.*, Securities Exchange Act Release No. 73897 (December 20, 2014)

<sup>5</sup> Commission’s Brief at Ex. 1.

<sup>6</sup> Commission’s Brief, Ex. 1 at ¶4

**A.**

**The Petitioner's Disclosure in its Annual Report on Form 10-K for the Period  
Ending June 30, 2014 Dated October 24, 2015 was Accurate in All Material Aspects**

To support its position, the Commission asserts that the Petitioner mislead the public by failing to disclose its activities concerning the development of the Ebola mobile application in its Annual Report for the period ending June 30, 2014. However, as definitively stated in Petitioner's Opening Brief, the Petitioner is not engaged in any medical, pharmaceutical or other endeavor related to the research of, treatment, or cure of Ebola. Rather, as stated in the Annual Report, the Petitioner business is "focused on building in house application and technologies that the company wholly owns and can drive revenue streams from."<sup>7</sup> Moreover, the Petition, did, in fact, make adequate disclosure regarding the subsequent event of its October 6, 2014 agreement with Mouse, LLC:

"On October 6, 2014 we entered into the first phase of a design and development agreement with Mouse, LLC to create a state of the art Ebola tracking app. The app will provide alerts to its users that shows proximity threats to their location based of the mobile devices' GPS. The initial agreement focuses on just the graphical design component of the project. We have initiated the design and are near completion on it. Myriad and Mouse will be entering into a final agreement that will focus on the development and launch of the app. Initially, the app will be launched for the iOS platform for iPhone and iPad devices."<sup>8</sup>

The disclosure in the Annual Report is entirely relevant and refutes the Commission's position in that: (a) it accurately describes the mobile application development project; and (b) it accurately reflects the business arrangement between Petitioner and Mouse. The Agreement was also included as an Exhibit to the Annual Report.<sup>9</sup> The October 15, 2014 press release, which the

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<sup>7</sup> June 30, 2014 Myriad Form 10-K, filed October 22, 2014 at 1,  
<http://www.sec.gov/Archives/edgar/data/1096555/000155116314000291/0001551163-14-000291-index.htm>

<sup>8</sup> Id.

<sup>9</sup> Id.

Commission places such importance upon, mirrors the disclosure in the Annual Report in all material respects.

**B.**

**The Failure to Identify the Owner of Mouse, LLC is Neither a Material Fact  
Nor Misleading to the Public**

Despite the Commission's allegations, the owner of Mouse, LLC, the Petitioner's counterparty in the subject transaction, is not the Petitioner's largest shareholder. In fact, Alan Sosa, the owner of Mouse, LLC, did not acquire his interest in the Petitioner through a private placement with the Petitioner or a direct registered offering. It would appear that Mr. Sosa, purchased his interest on the open market – a fact previously unknown to the Petitioner. Mr. Sosa executed his duty and filed his statement of ownership on February 24, 2014, but did not make the Petitioner aware of such filing.<sup>10</sup>

Moreover, the fact that Mouse, LLC was allegedly created (purportedly by Mr. Sosa) one month prior to the Agreement, is irrelevant for purposes of the Petitioner. It is entirely common for individuals to organize entities for purposes of a particular business or asset. What Mr. Sosa's intent was in organizing Mouse is unknown to the Petitioner, nor is it Petitioner's duty to ascertain his intent; as far as the Petitioner, or perhaps the Commission as well, is aware of, Mouse LLC could be capitalized in the \$100,000's if not \$1,000,000's.

Notwithstanding the foregoing, the fact that Mr. Sosa may beneficially be a significant shareholder of the Petitioner is in no way misleading to the public. Rather, as again stated the Petitioner's Opening Brief, the transaction was truly an "arms-length" transaction with Mouse,

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<sup>10</sup> February 24, 2014, Alan Sosa, Form 3,  
<http://www.sec.gov/Archives/edgar/data/1096555/000160059714000002/0001600597-14-000002-index.htm>

LLC.<sup>11</sup> The Commission's Brief disregards without justification that ample evidence put forth by the Petitioner portraying the project as anything other than *bona fide*. The Petitioner has hereinbefore put forth the two (2) agreements by and between the Petitioner and Mouse, LLC as well as proof of payment received by the Petitioner by Mouse pursuant to the terms of the agreements.<sup>12</sup>

**C.**

**The Cash Payment Associated with the Mouse, LLC Agreement  
Was not Material in Nature and Accurately Disclosed.**

The Agreement provided that Mouse make a payment to the Petitioner in the amount of \$12,000. Such a *de minimis* payment amount hardly reaches the level of "material" disclosure, making separate disclosure by the Petitioner unnecessary. The Commission seemingly contends that such payment was a material event – yet at the same time later places such great emphasis on the poor financial condition of the Petitioner. The October 15, 2014 press release does reference the Ebola project as being "fully funded", yet that was an accurate statement; Mouse made the entirety of the \$12,000 payment to the Petitioner.<sup>13</sup> The press release does not disclose the payment amount, but does not intimate that the "funded" amount was in any way material or of a significant amount. A plain reading of the press release as well as the Annual Report filed a mere ten (10) days thereafter does not create the presumption or illusion that the agreement with Mouse and the Ebola project was anything more material than it in fact, is.

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<sup>11</sup> Opening Brief, pages 6-7

<sup>12</sup> Opening Brief, Exhibits B, C, D & E.

<sup>13</sup> Opening Brief, Exhibit C & E

**D.**

**The Commission Offers Irrelevant and Superfluous Allegations in  
Support of the Suspension Order**

In the First Affidavit and Second Affidavit offered by the Commission center solely around the Petitioner's Ebola project and related disclosures. However, the Commission's Opening Brief offers additional, extraneous allegations meant only to prejudice and distract the trier of fact from the material facts surrounding the Suspension Order. The Commission's allegations include:

- A. The Petitioner's alleged history of "vague" press releases followed by "suspicious" trading activity when no such data is offered in support of the same;
- B. The Petitioner's failure to cooperate with FINRA information requests when such cooperation was given;
- C. The Petitioner's activity relating to bitcoin and other cryptocurrencies when its Annual Report reflects the sale of such web property developed by the Petitioner, as stated in its press releases;
- D. The Petitioner's involvement with Asher Enterprises, when the Commission has acknowledged Asher to have relationships with 100's of issuers listed on the OTC Link;
- E. The Petitioner's disclosure that it was abandoning its efforts in the medical cannabis industry in an effort to avoid the same degree scrutiny it now faces in this matter: and



F. The Petitioner's operating history, incorporated in 1990, when current management was only seven (7) years old, and its changes in business models were few over the past ten (10) years.

Should any of the aforementioned factors have been deemed by the Commission to provide the basis for a trading suspension, each and every one of the factors existed prior to the entry of the Suspension Order. The Commission very well could have, and by its Rules, should have, suspended trading in the Petitioner's securities.

Moreover, if one were to scan the entirety of the OTC Link, you would find 1,000's of issuers exhibiting a history of multiple changes in control, changes in business model, and name changes. Similarly, the loans the Petitioner received from Asher Enterprises, would likely one of the most prevalent forms of financing for issuers on this tier. Medical cannabis and cryptocurrency related issuers litter the OTC Link landscape. If the Commission seeks to penalize and impugn the character of the Petitioner and its management, the bases would seemingly exist to unilaterally impose the same sanctions on a majority of OTC Link issuers.

### **Conclusion**

A trading suspension may only stand where there exists a need "to alert the investing public that there is insufficient public information about the issuer upon which an informed investment judgment can be made or that the market for the securities may be reacting to manipulative forces or deceptive practices."<sup>14</sup> In the instant case, the Commission has placed its entire focus on a single press release as the basis for "insufficient public information" for a company current with its reporting obligations under the Securities Exchange Act of 1934. In dissecting a nine (9) sentence press release, the Commission has sought to identify material misleading disclosure therein, but

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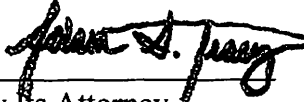
<sup>14</sup> Rules of Practice, 60 CFR 32738-01

factually the Petitioner has shown such disclosures to be unequivocally true. For such reason, the Petitioner's Petition for Termination of Trading Suspension must be granted.

Dated: February 10, 2015

Respectfully submitted,

MYRIAD INTERACTIVE MEDIA INC

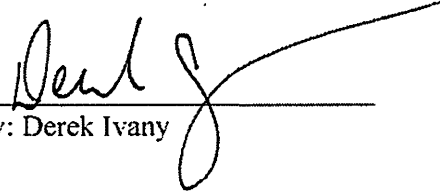
  
By Its Attorney

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**VERIFICATION**

Under penalties of perjury, the undersigned, being duly sworn on oath, hereby deposes and states that he has read the foregoing Reply in Support of Petition for Termination of Trading Suspension and is familiar with the facts and circumstances contained therein; and that the allegations contained therein are true and correct to the best of his knowledge and belief.

Dated: February 10, 2015

  
By: Derek Ivany